MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

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FINAL EXAMINATION

TRIMESTER 3, 2021 /2022

BMK2084 – MARKETING CHANNEL MANAGEMENT

10 AUGUST 2022
9:00 a.m. – 11:00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 3 **pages**, excluding this cover page.
2. Read the case study and **Answer ALL questions.**
3. The total marks for this exam is **100 marks**.
4. Please write **ALL** your answers in the **ANSWER BOOKLET** provided.

GUESS and Superdry distributor picks Malaysia digital agency: FJ Benjamin to bolster regional omnichannel strategy with new advisory board.
Adapted from Advertising + Marketing, 20 June 2022

F J Benjamin (FJB), the distributor of GUESS, Superdry, and La Senza, has re-appointed Creme Digital to handle digital duties in Malaysia for another year. Creme Digital will continue its responsibility of driving media strategy, planning and buying for FJB's Commerce business units. According to Creme Digital, the appointment renewal comes as no surprise due to its consultant-first approach, alongside its commitment and immersion to each individual brand. FJB's head of marketing communications, Fadzleen Fathy, said: "Creme Digital is one of our longest-serving agency partners and we are happy to renew our partnership with the agency. We have high expectations of our partners, and the agency continues to support us well." She added that the past two years have been critical for the business and FJB needed an agency that could keep up with the fast pace of change and growth in the digital space. "Creme Digital has been a welcome advisor and executor for our digital growth and we are glad to continue our close relationship," she added. With this appointment, FJB is expected to strengthen its channel power.

Meanwhile, Oliver Cheah, Creme Digital's MD, told A+M that the agency plans to fully implement enterprise-grade Google Analytics 4 across all brands' sites to help better track user behaviour. "At the same time, we are working on a new creative strategy based on real customer insights. Coming out of COVID-19, we are increasing our branding spend to support brand growth online and offline," Cheah added. According to him, a large focus of the work for FJB will be supporting the company's beauty portfolio as FJB expands its offering regionally while assisting FJB manage conflicts among its existing channel members.

FJB secured a US$3 million investment from the Far East Group earlier this year and shortly after, obtained the distribution rights for luxury skincare brand MZ Skin in three Southeast Asian markets. This is part of a push by the Singapore-based group to expand its reach into the cosmetics and beauty sector. This achievement marks the need to further strengthen relationship among channel members and FJB's Fadzleen Fathy strongly believes in applying the 5 phases of channel relationship.

FJB was recently appointed by American footwear and accessories brand Cole Haan to retail and distribute its products in Singapore and Malaysia. Under a distribution agreement, FJB will open several Cole Haan retail and outlet stores in the two markets while actively engaging in demand side positioning by implementing all the five strategies. Additionally, an e-commerce business for Cole Haan will be launched in July 2022. The Cole Haan stores will open in Singapore and Malaysia in the second half of the year, offering the summer season's best new products to the two markets.

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Meanwhile in year 2018, FJB had started initiatives which aims to bolster its omnichannel strategy and foster an effortless shopping experience for customers with the formation of an advisory board and with these initiatives, FJB has perfectly position itself not only as a retailer, but also as a reliable wholesaler for its ability to absorb risks.

The board will oversee the omnichannel strategy that helps to strengthen links between new digital channels and its network of over 200 stores, and 1,500 points of sale in Singapore, Malaysia, and Indonesia.

According to Ben Benjamin, director of corporate strategy, F J Benjamin, and a member of the Advisory Board, the brand is pursuing an omnichannel strategy in hopes of harnessing its existing customer database in the region. He added that this should have a "twin impact" of both optimising its regional network as well as growing its business volume online of which he concluded by stating that franchise model would work perfectly to FJB's growing business.

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Read the Case Study and answer ALL questions

Question 1

FJB is expected to enhance its channel power by appointing Creme Digital (CD). Discuss how CD's appointment can enhance FJB's FIVE (5) sources of channel Power.

(25 marks)

Question 2

CD plans to assist FJB in managing channel conflict.

i. Explain the nature of channel conflict.

(5 marks)

ii. Elaborate the FOUR (4) channel conflicts CD will face in assisting FJB.

(20 marks)

Question 3

Discuss the Five (5) demand side positioning FJB could undertake to strengthen its retail position.

(25 marks)

Question 4

FJB has perfectly position itself not only as a retailer, but also as a reliable wholesaler for its ability to absorb risks.

i. Explain the reason why many customers value wholesaler who is able to absorb risk.

(5 marks)

ii. Explain franchising according to European Union's definition.

(5 marks)

iii. Discuss the THREE (3) initial benefits a franchisee can obtain from franchisor.

(15 marks)

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